

Message Text

LIMITED OFFICIAL USE

PAGE 01 STOCKH 00123 100922Z

15

ACTION EB-07

INFO OCT-01 EUR-12 EA-07 IO-11 ISO-00 AGR-05 AID-05

COME-00 TRSE-00 CIAE-00 FRB-03 INR-07 NSAE-00 USIA-06

XMB-02 OPIC-03 SP-02 CIEP-01 LAB-04 SIL-01 OMB-01

NSC-05 SS-15 STR-04 CEA-01 L-03 H-02 /108 W

----- 047040

R 100726Z JAN 76

FM AMEMBASSY STOCKHOLM

TO SECSTATE WASHDC 6506

AMEMBASSY BERN

AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY CANBERRA

AMEMBASSY COPENHAGEN

AMEMBASSY LONDON

AMEMBASSY OSLO

AMEMBASSY OTTAWA

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY THE HAGUE

AMEMBASSY TOKYO

USMISSION EC BRUSSELS

AMEMBASSY VIENNA

AMEMBASSY WELLINGTON

USMISSION USUN NEW YORK

LIMITED OFFICIAL USE STOCKHOLM 0123

E.O. 11652: N/A

TAGS: EFIN, EAGR, E Aid, SW

SUBJECT: INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT (IFAD)

REF: (A) 75 STATE 300294, (B) 75 STATE 262318, (C) 75

STOCKHOLM 6254

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 STOCKH 00123 100922Z

SUMMARY. SWEDEN WILL NOT SUPPORT WEIGHTED VOTING IN GROUP A UNLESS

AGREED TO BY GROUPS B AND C. IT CONCURS WITH US PERCEPTION OF OECD CONSENSUS ON ALL OTHER ISSUES RELATING TO INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT (IFAD), AS OUTLINED PARAS 4-8 REF A BUT NOTES THAT COMPROMISE ON WEIGHTED VOTING ISSUE MIGHT REQUIRE REVISION OF QUORUM RULES. SWEDEN WILL CONTRIBUTE UP TO SKR 100 MILLION (\$22.7 MILLION AT CURRENT EXCHANGE RATE) TO IFAD. END SUMMARY.

1. EMBASSY PRESENTED IN WRITING US PERCEPTION OF OECD CONSENSUS ON ISSUES CONNECTED WITH ESTABLISHMENT OF INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT (IFAD) TO ULF HJERTONSSON, SWEDISH MFA FOOD AID OFFICER, AND OBTAINED FOLLOWING REACTION FROM HIM JANUARY 8:

2. WEIGHTED VOTING. GOS WILL STAND BY AGREEMENT THAT 17.5 PERCENT OF GROUP A'S VOTES WOULD BE DISTRIBUTED EQUALLY AMONG ALL MEMBERS WITH REMAINING VOTES WEIGHTED ACCORDING TO RELATIVE CONTRIBUTIONS (SO-CALLED 17.5 PERCENT AGREEMENT), PROVIDED THAT THIS ARRANGEMENT IS ACCEPTABLE TO GROUPS B AND C. HOWEVER, HE THOUGHT B AND C DID NOT NOW AGREE AND THAT THEY REJECTED PRINCIPLE OF SELF-DETERMINATION WITHIN EACH GROUP ON MATTER OF WEIGHTED VOTING. IF CONSENSUS IS BROKEN, GOS WILL NOT REPEAT NOT FEEL BOUND TO SUPPORT 17.5 PERCENT AGREEMENT WORKED OUT IN CONTACT GROUP.

3. HJERTONSSON CLAIMED THAT WHEN B AND C ACCEPTED WEIGHTED VOTING, THEY THOUGHT IT WOULD APPLY EITHER TO GOVERNING COUNCIL OR TO EXECUTIVE BOARD BUT NOT TO BOTH. GOS THINKS REASONABLE COMPROMISE WOULD BE TO HAVE WEIGHTED VOTING IN GOVERNING COUNCIL ONLY BUT ONE VOTE PER COUNTRY IN EXECUTIVE BOARD. HJERTONSSON HIMSELF HAS BEEN THINKING OF SCHEME OF "SUCCESSIVE MAJORITIES" (NOT CLEARED WITHIN GOS) BUT WHICH AT LEAST FOUR AFFIRMATIVE VOTES OUT OF SIX WOULD BE REQUIRED IN EACH GROUP WITHIN EXECUTIVE BOARD.

4. QUORUM. GOS STANDS BY GROUP A AGREEMENT ON QUORUM (PARA 4 REF A). IT STILL AGREES TO LIST DRAWN UP IN DAC GROUP ON ISSUES REQUIRING SPECIAL MAJORITY. HOWEVER, HJERTONSSON NOTED THAT COMPROMISE ON ISSUE OF WEIGHTED VOTING MIGHT REQUIRE CHANGE IN RULES FOR QUORUM.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 STOCKH 00123 100922Z

5. DIRECT LENDING TO GOVERNMENTS. GOS NOTES WITH APPRECIATION THAT US HAS APPARENTLY TAKEN TOUGHER LINE THAN BEFORE CHRISTMAS REGARDING LIMITED EXCEPTION TO GENERAL RULE THAT IFAD SHOULD OPERATE SOLELY THROUGH EXISTING INSTITUTIONS. (GOS HAD TROUBLE WITH OPTIONS IN REF B.) GOS STRONGLY AGREES THAT LANGUAGE OF EXCEPTION QUOTED PARA 6 REF A IS MAXIMUM CONCESSION THAT SHOULD BE MADE. SWEDES HAVE FEELING THAT THERE ARE JUST A FEW COUNTRIES --MAINLY INDIA AND PAKISTAN--WHO INSIST UPON DIRECT

LENDING TO GOVERNMENTS AND BELIEVES GROUP A CAN STAND HARD HERE.

6. SDR ONE BILLION TARGET. GOS AGREES TO IMPROTANCE OF SDR 1 BILLION TARGET. IT ALSO AGREES TO DESIRABILITY OF SUBSTANTIAL CONTRIBUTIONS FROM GROUP B (OIL PRODUCERS) BUT DOUBTS WHETHER GROUP A SHOULD INSIST ON ABSOLUTELY EQUAL BURDEN-SHARING BY B. PRIVATELY SWEDES THINK IT WOULD BE REASONABLE FOR FUND TO BEGIN OPERATIONS WITH \$750 MILLION AS MINIMUM CAPITAL. HJERTONSSON UNDERSTOOD THAT US WAS IN FAVOR OF TRIGGER CLAUSE IN DRAFT AGREEMENT PROVIDING FOR START OF OPERATIONS AT \$750 MILLION AND THAT US CONTRIBUTION WOULD BE PROPORTIONATELY REDUCED IN SUCH CASE BELOW \$200 MILLION.

7. GOS CONTRIBUTION TO IFAD. GOS BUDGET BILL, TO BE MADE PUBLIC JANUARY 12, CONTAINS FOLLOWING LANGUAGE: QUOTE SWEDEN IS GOING TO PARTICIPATE IN ESTABLISHMENT OF INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT. SWEDISH CONTRIBUTION WILL BE DECIDED FINALLY WHEN CLARITY HAS BEEN REACHED ON SIZE OF CONTRIBUTIONS FROM LARGER DONOR COUNTRIES. IF ESTABLISHED TARGET (\$1 BILLION) IS REACHED, SWEDEN WILL CONTRIBUTE SKR 100 MILLION. UNQUOTE AT CURRENT EXCHANGE RATES, THIS SUM EQUALS ABOUT \$22.7 MILLION.

8. HJERTONSSON SAID NORWAY PLANNED TO CONTRIBUTE \$12 MILLION AND UK \$30 MILLION. GOS HAS HEARD NOTHING ABOUT AMOUNTS GERMANY, FRANCE, AND OPEC MAY PROVIDE AND HAS NO INFORMATION ABOUT WHETHER JAPAN INTENDS TO CONTRIBUTE OR NOT.

9. HJERTONSSON WOULD WELCOME ANY USG REACTION TO SWEDISH POSITIONS.
STRAUSZ HUPE

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: AGRICULTURAL DEVELOPMENT, ECONOMIC ASSISTANCE, COMMITTEE MEETINGS, MEETING REPORTS
Control Number: n/a
Copy: SINGLE
Draft Date: 10 JAN 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976STOCKH00123
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760009-1038
From: STOCKHOLM
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760168/aaaacify.tel
Line Count: 145
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 76 STATE 300294, 76 STATE 262318
Review Action: RELEASED, APPROVED
Review Authority: GolinoFR
Review Comment: n/a
Review Content Flags:
Review Date: 24 MAR 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <24 MAR 2004 by CollinP0>; APPROVED <24 MAR 2004 by GolinoFR>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT (IFAD)
TAGS: EFIN, EAGR, EAID, SW, IFAD
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006